

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7782

BILL NUMBER: HB 1505

NOTE PREPARED: May 2, 2007

BILL AMENDED: Apr 29, 2007

SUBJECT: Trusts and fiduciaries.

FIRST AUTHOR: Rep. Bardon

FIRST SPONSOR: Sen. Bray

BILL STATUS: Enrolled

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: *DOR Claims Submitted to Financial Institutions:* This bill removes provision concerning claims submitted to financial institutions by a special counsel or collection agency on behalf of the Department of State Revenue (DOR) or a county treasurer. The bill requires the DOR to operate a data match system with financial institutions.

Prudent Investment Provisions: The bill specifies that: (1) certain records concerning alternative investments made by an institutional investment fund of a state educational institution are not subject to disclosure under the public records law; and (2) certain information in the records is subject to disclosure and is not confidential financial information. The bill also permits a bank, trust company, or savings bank that holds funds or property as a fiduciary to use the funds or property to purchase products, services, and securities from the bank, trust company, savings bank, affiliate, or a selling group or syndicate that includes the bank, trust company, savings bank, or affiliate. The bill sets forth procedures for a bank, trust company, or savings bank to: (1) give notice of; and (2) obtain consent for; such a transaction with respect to specified fiduciary relationships. This bill amends the Uniform Management of Institutional Funds Act to conform to the Uniform Prudent Management of Institutional Funds Act. The bill repeals nonconforming provisions.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *DOR Claims Submitted to Financial Institutions:* This bill removes provision concerning claims submitted to financial institutions by a special counsel or collection agency on behalf of the DOR or a county treasurer. The bill requires the DOR to operate a data match system with financial institutions. The impact of this provision is indeterminable, but it is estimated that the DOR can implement this system through the use of existing staff and resources.

Prudent Investment Provisions: This bill could impact state and local units of government that hold and invest funds for a charitable purpose. The impact will ultimately be determined by the possible administrative expenses incurred in being required to follow the investment procedures set forth in this bill. It is estimated that the provisions of this bill can be implemented through the use of existing staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: (see *Explanation of State Expenditures*).

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.